



County of Los Angeles
CHIEF ADMINISTRATIVE OFFICE

713 KENNETH HAHN HALL OF ADMINISTRATION • LOS ANGELES, CALIFORNIA 90012
(213) 974-1101
<http://cao.co.la.ca.us>

DAVID E. JANSSEN
Chief Administrative Officer

September 14, 2004

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Board of Supervisors
GLORIA MOLINA
First District

YVONNE B. BURKE
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

Dear Supervisors:

**RESOLUTION AND NOTICE OF INTENTION TO AUCTION
COUNTY SURPLUS REAL PROPERTY
300 ROSECRANS AVENUE, COMPTON
(SECOND DISTRICT) (4-VOTES)**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Find that the County has no present or future need for the property located in the City of Compton at 300 Rosecrans Avenue, as shown on the attached map (Attachment A) and legally described in Exhibit A attached to the Resolution and Notice of Intention (Attachment B), and adopt the Resolution setting a date for the public auction.
2. Find that the proposed sale of the surplus real property is categorically exempt from the California Environmental Quality Act (CEQA).
3. Instruct the Executive Officer/Clerk of the Board to cause publication of the Resolution and Notice of Intention in accordance with Section 25528 of the Government Code and set a date for public auction.

IT IS RECOMMENDED THAT, AFTER THE PUBLIC AUCTION, YOUR BOARD:

1. Approve the sale of the County's right, title and interest to the successful bidder(s) and instruct the Chairman to approve and execute, upon presentation, the quitclaim deed, which will have been approved as to form by County Counsel.

2. Instruct the Auditor-Controller to deposit the sale proceeds into the Asset Development Implementation Fund as directed by the Chief Administrative Officer (CAO).
3. Authorize the CAO to execute all necessary documents, including a sale and purchase agreement to complete the sales transaction, upon approval of the documents by County Counsel.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of the recommended action is to re-offer at public auction County-owned real property considered surplus to the present and future needs of the County. The property had previously served as a health center operated by the Department of Health Services (DHS). Commonly known as the Compton Health Center, this building is located at 300 Rosecrans Avenue, Compton. This health center was closed and the services provided transferred to remaining County clinics in response to the recent restructuring of outpatient services within DHS. Upon vacation of the property, the County has considered other backfill opportunities for this building, but has not identified another tenant department that would be suitable for this building or this location.

As a result, the subject property is considered surplus to the County's needs. The sale of this property will provide the County funds that can be better allocated for the rehabilitation, purchase or construction of other County facilities.

The subject property has been offered twice previously for sale at auction, (September 23, 2003 and March 23, 2004) in both instances the property was sold to the prevailing high bidder (\$1,425,000 and \$1,205,000 respectively), each buyer subsequently defaulted on the purchase and the County retained the \$25,000 deposit (total of \$50,000) as compensation for costs incurred by the County to process the sales. The sales process must now start all over with the necessity to find the property surplus and conduct another auction.

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IMPLEMENTATION OF STRATEGIC PLAN GOALS

The County of Los Angeles Strategic Plan directs that we strengthen the County's fiscal capacity (Goal 4). The sale of this property to the highest bidder will provide funds that can be used to finance improvements as part of the plan to preserve and protect the County's critical infrastructure (Strategy 2).

FISCAL IMPACT/FINANCING

It has been determined by CAO staff appraisal that the fair market value of the property ranges from \$465,000 to \$770,000. Setting a minimum bid at the bottom end of the indicated range will generate the maximum amount of interest in the real estate community and should result in the respective property being sold near or in excess of the top end of the value range. This approach was implemented successfully in the prior auctions with several bidders indicating a willingness to pay in excess of \$1,000,000 for the property, though there is no guarantee that the prior high bid can be achieved again. The property will be sold for all cash. A \$25,000 deposit in cash or cashier's check will be required at the conclusion of the auction with the remaining balance due within 90 days.

Proceeds from the sale will be deposited into the Asset Development Implementation Fund.

The \$50,000 deposit forfeited by the prior buyers (\$25,000 each) will be retained by the CAO and used to reimburse costs such as advertising and labor expended to process the prior auction.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The property consists of approximately 38,260 square feet of land which is improved with a 13,996 square foot single-story building and a surface parking lot for 34 cars. This property had been used as a health clinic for years and is improved with extensive plumbing systems, numerous exam rooms and large waiting areas.

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The appraised value reflects the functional obsolescence of some of the County improvements and the lack of sufficient parking to satisfy City requirements.

The offer of the property by public auction is authorized by Sections 25520 to 25538, inclusive, of the California Government Code which authorizes the sale of real property. Notification of your Board's intended action will be published in compliance with Government Code Section 6063. Pursuant to Government Code Sections 65402 and 54222, the appropriate government agencies were notified of the County's intent to sell the property and none of the notified agencies has indicated any interest in purchasing the property or any objections to its sale.

The prior high bidders have each been notified that their respective offers are withdrawn and that the County has retained their \$25,000 deposit and lawfully terminated the sale.

In accordance with your Board's policy, a restriction has been placed upon the deed reserving the mineral rights upon each property to the County.

County Counsel has reviewed the Resolution and Notice of Intent to Sell and the Sale and Purchase Agreement and has approved them as to form.

ENVIRONMENTAL DOCUMENTATION

The recommended action is categorically exempt under Class 12 of the State CEQA Guidelines and the revised Environmental Document Reporting Procedures and Guidelines adopted by your Board.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

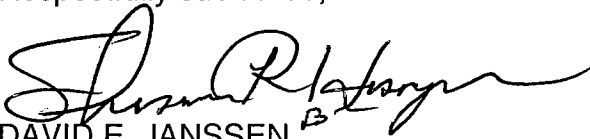
Inasmuch as the building has been vacant for some time, the sale of this property will have no impact on current County services.

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CONCLUSION

It is requested that the Executive Officer, Board of Supervisors, return an original copy of the executed Notice of Intention, and two certified copies of the Minute Order, and the adopted, stamped Board letter to the CAO Real Estate Division at 222 South Hill Street, 3rd Floor, Los Angeles, CA 90012 for further processing.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "David E. Janssen", with a stylized flourish at the end.

DAVID E. JANSSEN
Chief Administrative Officer

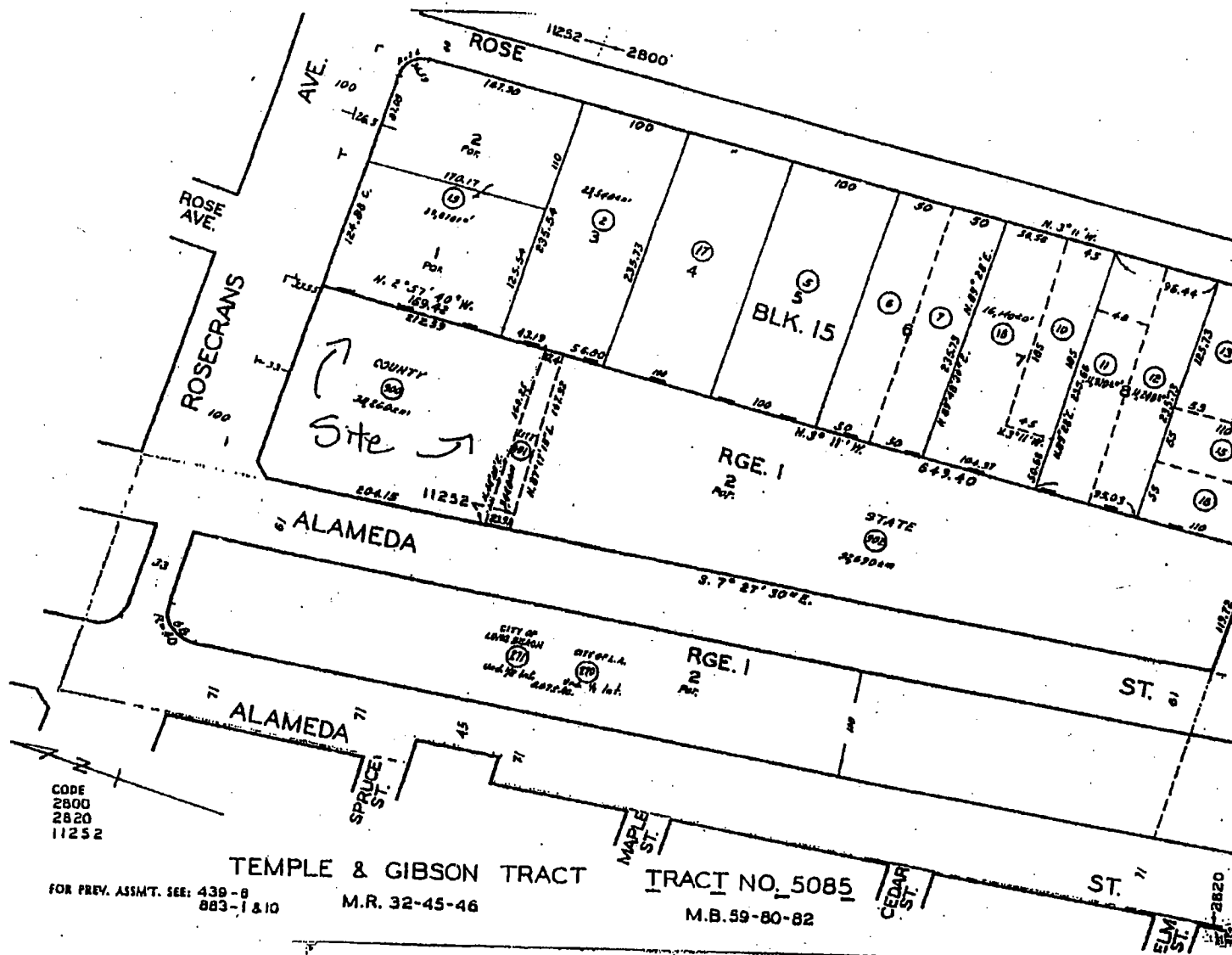
DEJ:CWW
CB:CK:cc

Attachments (2)

c: County Counsel
Auditor-Controller
Department of Health Services

ATTACHMENT A

**300 ROSECRANS AVENUE, COMPTON
PARCEL MAP**



ATTACHMENT B

**300 ROSECRANS AVENUE, COMPTON
RESOLUTION AND NOTICE OF INTENT TO SELL**

WHEREAS, the Board of Supervisors of the County of Los Angeles, State of California ("Board of Supervisors"), has found and determined that the County-owned real property hereinafter described is not required for public use;

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors, as follows:

1. That it is the intention of the Board of Supervisors, on the _____ day of _____, 2004 at 9:30 A.M., in the Hearing Room of the Board of Supervisors, Room 381 Kenneth Hahn Hall of Administration, 500 West Temple Street, Los Angeles, CA 90012, to sell at public auction, that County-owned surplus real property located at 300 East Rosecrans Avenue, City of Compton, County of Los Angeles, and legally described in Exhibit "A" attached hereto and incorporated herein by reference and made a part hereof as though set forth in full ("Property").

2. The Property consists of approximately 38,260 square feet of land improved with a 13,996 square foot single story building and a surface parking lot for 34 cars. The property is zoned C-L (City of Compton, limited commercial). The County has been advised that the existing parking is not sufficient to meet the city requirements of 1 space per each 250 square feet of building area.

3. The minimum bid that will be considered by the Board of Supervisors for the Property is FOUR HUNDRED SIXTY FIVE THOUSAND DOLLARS (\$465,000). Any bids less than that amount will not be considered by the Board of Supervisors. The Board of Supervisors reserves the right to reject any and all bids and to withdraw the Property from sale at any time.

4. The sale will be for all **CASH** with TWENTY FIVE THOUSAND DOLLARS (\$25,000) due at the time of sale and the balance remaining to be paid in full within ninety (90) days of the date of the auction under the following terms and conditions:

SUBJECT TO AND BUYER TO ASSUME:

- a. All taxes, interest, penalties and assessments of record, if any.
- b. Covenants, conditions, restrictions, reservations, easements, rights and rights-of-way of record, if any.

5. Sealed bids must be filed in the Executive Office, Board of Supervisors, Room 383 Kenneth Hahn Hall of Administration, 500 West Temple Street, Los Angeles, California 90012 prior to 9:30 A.M. on the day of the auction as set forth in Paragraph 1 above.

6. At the time of the auction, sealed bids will be opened and oral bids will be heard provided that the first oral bid exceeds by at least five percent (5%) the amount of the highest sealed bid. Should two or more sealed bids be identical as to the highest bid amount, priority shall be given to the bid received first in accordance with Paragraph 5 above. When bidding on the Property, a bidder will be required to identify himself and state clearly the amount of the bid. It is the intention of this paragraph that the following bid requirements and/or conditions shall apply to sealed bids and oral bids alike:

a. The successful bidder ("Purchaser") will be required at the close of the auction to pay the full amount of the successful bid with the first TWENTY FIVE THOUSAND DOLLARS (\$25,000.00) to be paid immediately in cash or cashier's check and execute a Sale and Purchase Agreement. The Sale and Purchase Agreement must be executed without modification.

b. Purchaser must also sign any and all documents and pay whatever fees are required following the auction. Said fees shall include the deed recording fees and Documentary Transfer Tax. County shall obtain the recordation of the deed and transmit Purchaser's check for said fee to the County Recorder on behalf of Purchaser.

c. Purchaser must furnish title vesting in writing to the County at the time of the auction. If more than one signature is required on any document, a period of five (5) days will be allowed for Purchaser to obtain the signature(s).

d. No warranty or representation is made by the County with respect to location, size, and zone of the Property. Such data is set forth for information only and shall not be deemed to be part of the legal description by which the Property will be offered for sale or sold. The Property will be sold by quitclaim deed using the legal description contained in Exhibit "A". County will not provide a policy of title insurance.

e. The Property is offered for sale and will be sold in its "as is" condition, without any warranty, express or implied or representation by County as to its physical condition or suitability for use, including but not limited to, the condition of the soils or ground water on or under the Property, and the presence of pollutants or contaminants therein.

f. Sale of the Property shall reserve and except there-from unto the County of Los Angeles, all oil, gas, hydrocarbons, or other minerals in and under the Property without the right to the use of the surface and subsurface to a depth of 500 feet, measured vertically, from the surface of the Property.

g. If Purchaser fails to abide by the terms and conditions as set forth above, the County shall have all remedies at law and equity, and shall be entitled to enforce the Sale and Purchase Agreement and obtain the benefit of the bargain contained therein. At the option of the County, the sale may be rescinded. All or part of the Twenty Five Thousand Dollars (\$25,000.00) down payment may be retained by the County to offset any damages, costs or expenses which may accrue to the County by reason of Purchaser's failure to comply. Such retention of the down payment by County shall not be deemed a waiver or relinquishment of any other remedies.

7. Copies of the title report and map showing the location and size of the Property are available for inspection in the office of Real Estate Division, 222 South Hill Street, 3rd Floor, Los Angeles, California 90012.

The foregoing Resolution was on the ____ day of _____, 2004 adopted by the Board of Supervisors of the County of Los Angeles, and ex-officio the governing body of all other special assessment and taxing districts for which said Board so acts.

VIOLET VARONA-LUKENS
Executive Officer, Board of Supervisors

By _____

APPROVED AS TO FORM:

OFFICE OF THE COUNTY COUNSEL

By 
Deputy County Counsel

Resolution

ADDRESS

Legal Description

300 East Rosecrans Avenue, Compton

THAT PORTION OF LOT 2, RANGE 1 OF THE TEMPLE & GIBSON TRACT, IN THE CITY OF COMPTON, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 2 PAGES 540 AND 541 AND IN BOOK 32 PAGE 45, MISCELLANEOUS RECORDS, IN THE OFFICE OF THE REGISTRAR-RECORDER OF THE COUNTY OF LOS ANGELES, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF TRACT 5085, AS SHOWN ON MAP RECORDED IN BOOK 59 PAGES 80, 81 AND 82 OF MAPS, IN THE OFFICE OF THE REGISTRAR-RECORDER OF THE COUNTY OF LOS ANGELES; THENCE ALONG THE SOUTHERLY LINE OF ROSECRANS AVENUE (FORMERLY ORANGE STREET) 33 FEET WIDE, AS SHOWN ON SAID MAP OF TRACT 5085, SOUTH 89°28' WEST 250 FEET TO THE EASTERLY LINE OF THE RIGHT OF WAY OF THE SOUTHERN PACIFIC RAILROAD COMPANY, AS SHOWN ON SAID MAP; THENCE ALONG SAID EASTERLY LINE SOUTH 7°25'15" EAST 247.70 FEET; THENCE SOUTH 89°28' EAST 230.70 FEET TO THE WESTERLY LINE OF SAID TRACT 5085; THENCE ALONG SAID WESTERLY LINE NORTH 2°57'40" WEST 246.14 FEET TO THE POINT OF BEGINNING.

SAID LAND IS REGISTERED UNDER THE LAND TITLE LAW, CERTIFICATE NO UK-65667 ISSUED JULY 12, 1948.